



PORTFOLIO AREA: ECONOMIC DEVELOPMENT

Date of Meeting: 13th February 2012

Public

Key Decision: Yes

Recorded in Forward Plan:

No

Inside Policy Framework

Title: Carlisle City Centre Business Improvement District and Formation of City Centre Management Company

Report of: Director of Economic Development

Report reference: ED 08 / 12

Summary:

This report seeks authority for the formation of an interim City Centre Management Company as a key stage in the promotion and formation of the proposed Carlisle City Centre Business Improvement District.

Recommendations:

1. That officers of the City Council are authorised to set up and register a new “not for profit” City Centre Management Company ahead of the potential formation of the city centre Business Improvement District.
2. That the City Council be a Member of the newly formed Company alongside private sector partners.
3. That a City Councillor is nominated to be a Director of the company.
4. The Executive authorise officers to prepare and enter into the Operating Agreement and Baseline Agreement as required by The Business Improvement Districts (England) Regulations 2004, Schedule 1, Point 1

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

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1. Background Information

1.1 Introduction and purpose of the report

To ensure the ongoing vitality of Carlisle city centre, the City Council has been working over recent months with the business community to explore ways how this can be achieved and in particular through the formation of a new Business Improvement District Company for the city centre area.

A Business Improvement District (BID) is a specific area where businesses work together and, supported by the Local Authority, invest in agreed, services, projects and special events. There are already over 120 such Business Improvement Districts operating successfully throughout the country.

- 1.2 The creation of such a BID is subject to a regulatory process culminating in a formal Ballot of city centre businesses after which (if a majority is achieved) a formal BID Company is formed.

As part of the preparatory process of a formal BID it is desirable to create an interim City Centre Management Company that will help drive the required process and ensure engagement of partners. The membership of such an interim company will be drawn mainly from city centre businesses.

1.3 Existing Position

Members will recall that as a result of the report of 14th March, 2011 (Ref:SD 03) regarding both the city's visitor economy and city centre management the Executive recommended that the City Centre Partnership and Carlisle Tourism Partnerships be brought together to form a new community interest company to drive forward both of these issues.

- 1.4 Following discussions between representatives of the City Centre Partnership and the Carlisle Tourism Partnership it was agreed that the formation of a Business Improvement District (BID) be pursued for Carlisle city centre. In particular members of the Tourism Partnership agreed that, providing this process acknowledged that the city centre area played a vital part in the visitor economy, this should be led by the city centre business community, supported by the City Council..

- 1.5 This work is now being led by a BID Steering Group comprising representatives from the city centre business community and the City Council, with the City Council acting as overall project manager ensuring that the various actions are carried out.

2. Proposal To Create an Interim City Centre Management Company

- 2.1 The programme for development of the proposed BID for Carlisle is now underway and the first of a series of Project Newsletters and an accompanying survey already having being distributed to city centre businesses, introducing the BID concept, setting out likely benefits, and inviting them to comment on the proposals.

This will provide the basis of the Business Plan setting out what the BID will do and which businesses will be formally balloted.

- 2.2 It is proposed that formal Ballot of businesses will occur in July 2012, following which, if the ballot results in the required majority, a formal BID company will be set up.

- 2.3 As part of the preparatory process the Steering Group, consider that it is desirable to set up an interim City Centre Management Company which will act as the BID proposer, and a framework for the business sector to work together.

It is normal practice amongst the formation of other BID's up and down the country that it should be a "not for profit" company limited by guarantee, (as opposed to a Community Interest Company) comprising a number of private sector businesses, with Directors being appointed from that membership. The City Council should also be a member of the company.

- 2.4 It is expected that the Directors of this interim company would effectively form the shadow Board of any subsequent formal BID Company.

- 2.5 An additional element of the statutory BID process is the drawing up of the scope and extent of delivery of certain services already provided by the City Council into the proposed BID area. This needs to be done and agreed before a formal BID Ballot can take place.

- 2.6 These agreements will need to be prepared and put in place by City Council so as to be in line with the Operating Agreement and Baseline Agreement as required by The Business Improvement Districts (England) Regulations 2004, Schedule 1, Point 1.

3. CONSULTATION

3.1 This proposal has been worked up in conjunction with the existing Carlisle City Centre BID Steering Group which comprises representation from major retailers and other city centre businesses.

3.2 Formal consultation will take place with interested businesses once the BID proposal has been drawn up, as required by statute.

4 RECOMMENDATIONS

- 1 That officers of the City Council are authorised to set up and register a new “not for profit” City Centre Management Company ahead of the potential formation of the city centre Business Improvement District.
- 2 That the City Council be a Member of the newly formed Company alongside private sector partners.
- 3 That the City Council nominates a Member to be a Director of that company.
- 4 The Executive authorise officers to prepare and enter into the Operating Agreement and Baseline Agreement as required by The Business Improvement Districts (England) Regulations 2004, Schedule 1, Point 1

5. IMPLICATIONS

- Staffing/Resources – None at this stage.
- Financial – The formation of such a company and membership by the City Council as a member will limit the liability of the City Council to £10.

Legal –The limited company will be formed under the Companies Act 2006 and advice and assistance will be required from the Council’s legal section throughout the process. The procedure for developing and promoting a Business Improvement District is governed by regulations. At this stage, Executive approval is required to form the company and, importantly, to become a member of that company. At later stages, decisions such as how to respond to a notice to hold a referendum and whether to veto or approve the result of the ballot (a veto can only be used in certain, limited, circumstances) will be matters which fall to Council on a recommendation from Executive.

- Risk Management – In developing this proposal the BID Steering Group , in conjunction with the City Council, has sought to mitigate the risk of ongoing economic pressure on the vitality of the central retail area in Carlisle.
- Environmental – No implications at this stage. Any future ‘Company’ may wish to work with the Council and other partners to improve the environmental appearance of the City Centre and also address any issues of environmental sustainability.
- Crime and Disorder – None at this stage. Any future ‘Company’ may wish to work with Community Safety Partners to address city centre safety and crime related issues.
- Impact on Customers – None at this stage. Any future ‘Company’ may focus on the supporting the needs of stakeholder customers by joint or collective working on issues such as access to services and transport.
- Equality and Diversity – None at this stage. Should the ‘Company’ proposal receive support an impact assessment of its plans would be undertaken.

Impact assessments

Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?	NO	
Age	NO	
Disability	NO	
Race	NO	
Gender/ Transgender	NO	
Sexual Orientation	NO	
Religion or belief	NO	
Human Rights	NO	
Health inequalities	NO	
Rurality	NO	

If you consider there is either no impact or no negative impact, please give reasons:

At this stage it is difficult to clearly identify the impact of this proposal. As the new City Centre Company develops it will identify and engage with stakeholders and an impact assessment will be conducted.

